

**RTO West  
Filing Utilities Meeting  
August 21, 2000  
Notes**

**IMPORTANT NOTICE TO READERS:** These meeting notes were prepared by Kristi Wallis. The filing utilities agreed to Kristi's attendance as a neutral note taker at filing utility meetings to enable interested parties to be aware of the general scope and progress of filing utility discussions. These notes were never intended to represent a verbatim report of the filing utilities' discussions, but rather to provide a summary. Although meeting participants were given an opportunity to review notes in draft form, workloads of all concerned (particularly as the deadline for filing with the Federal Energy Regulatory Commission approached) were such that notes often could not be circulated quickly after meetings or reviewed thoroughly. In some cases there was a period of several months between the date a meeting was held and the time the meetings notes were available for review. In addition, a number of meeting participants may not have reviewed these notes at all. There may, therefore, be some inaccuracies in these notes.

**Attendees:**

Randy Cloward, Avista	Bill Pascoe, Montana Power
Jim Collingwood, Idaho Power	Chuck Durick, Idaho Power
Mark Maher, Bonneville	Peggy Olds, Bonneville
Brian Silverstein, Bonneville	Melanie Jackson, Bonneville
Vickie Van Zandt, Bonneville	Carolyn Cowan, Sierra Pacific
Don Furman, PacifiCorp	Cindy Crane, PacifiCorp
Marcus Wood, PacifiCorp	Frank Afranji, PGE
Doug Nichols, PGE	Kimberly Harris, Puget Sound Energy
Bud Krogh, K&L	John Boucher, KEMA
Dave Hackett, KEMA	Barney Speckman, KEMA
Kristi Wallis, Neutral Notetaker	

**Agenda**

Review RRG Materials/Prepare for RRG Meeting  
Benefits/Costs Presentation  
Development Schedule  
Canadian/US Adjunct Committee

**Agenda Item No. 1 – Review RRG Materials**

John Boucher presented an overview of the RRG materials that will be discussed at this week's meeting. In all, 24 documents were sent to the RTO West Collaborative Process participants.

John Boucher stated that the RRG meeting will be focused on resolving major issues that the work groups have not resolved. Sixteen issues have been identified. There is a briefing paper for each issue that defines the issue, provides background material and, with respect to 12 of the issues, presents alternatives. In most cases work group members prepared the supporting positions. (The 4 ancillary services issues are actually consensus recommendations, but as they are important issues we want to make sure everyone is on board.) As some of the issues will be dealt with as a package (there may be tradeoffs between pricing, congestion management, and planning), certain issues have been grouped strategically.

The work group leader will frame the issue (including presentations from work group participants), open up discussion, and drive towards consensus. Breakout rooms have been reserved so liberal use can be made of caucusing. KEMA's goal is to get consensus but, failing that, the goal is to narrow alternatives so that the discussions can go forward with the work group (with the Filing Utilities ultimately deciding approach if consensus cannot be reached.)

John Boucher concluded by stating that there might be some carry over to the following week's meeting, but that he hopes the group tackles the big issues this week.

## **Agenda Item No. 2 – Benefits/Costs Presentation**

A question was raised about what would be presented at the August 22 public meeting in Spokane regarding benefits/costs. Bill Pascoe is aware that the work group has not finished its work and that there are some serious concerns about the modeling. Vickie Van Zandt reported that the workshop had two parts – a panel discussion regarding ISOs across the county (CA ISO, ERCOT, New England ISO) and a presentation regarding the preliminary benefits/costs findings. (Vickie noted that none of the other ISOs performed detailed benefits/costs studies as they had a state or federal mandate to form their ISO.)

With respect to the preliminary findings, some are not tangible, others have been reduced to dollars. Vickie Van Zandt thinks that the operating reserve numbers (\$25 million annually) are pretty solid (what to expect with Filing Utilities in a single control area). With the exception of some estimates regarding BPA, the numbers are presented in the context of overall regional benefit.

Vickie Van Zandt indicated that some concern has been expressed about the Aurora model – the first couple of runs showed a \$14 million benefit for NW region and a \$1.6 billion benefit for the entire WSCC region. The results are puzzling, and over the next two weeks the work group is going to dig into the details about why it has come out this way. Bill Pascoe stated that it is not unusual for complex generation dispatch models to need additional work after the first couple of runs. While he is OK with releasing the preliminary results and getting input from

participants about what should be changed (in particular about the assumptions that were used), he believes the results should be qualified. Frank Afranji agreed.

Three other studies are relevant and will also be discussed – the IndeGO PMDAM/GE Map (showed higher benefits than Aurora relating to generation capacity expansion), the NWPP benefits laid out by DOE, and a FERC study.

It was noted that some slides prepared by work group members would probably not be used given the tightness of the agenda, but that the content of the slide would be described generally.

In addition to the August 22<sup>nd</sup> presentation, Vicki Van Zandt will report to the RRG on Friday.

### **Agenda Item No. 3 – Development Schedule**

Bud Krogh distributed and discussed a proposed development schedule (Attachment A<sup>1</sup>) for the next eight weeks. What is not reflected on the schedule is time for the Filing Utilities to resolve some remaining issues, if necessary.

### **Agenda Item No. 4 – Canadian/US Adjunct Committee**

Bud Krogh reported that the Adjunct Committee's matrix would be presented to the Ancillary Service Work Group on Thursday and, hopefully, the group will be able to work through the 2-tier concept control area operator model. Barney Speckman indicated that there are two relevant documents – the RTO West control area model document (distributed to the RRG a few weeks ago) and the Adjunct Committee's matrix. The matrix is relatively high level and it is not clear how the RTO West control area model would be implemented within the framework of the matrix. The hope is that if there is further discussion at the technical level that the work group might be able to support the approach taken by the Adjunct Committee.

BC Hydro is to identify those areas where the RTO West document doesn't work for the BC Commission. Hopefully Brian Silverstein and Mike Ryan will get involved in the process and the goal is for closure by the time of the Adjunct Committee's dinner meeting on Thursday, with a follow-up presentation to the RRG on Friday.

Any of the Filing Utilities who want to attend the Adjunct Committee meeting are welcome.

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<sup>1</sup> An electronic copy of the attachment was not available to the notetaker; however, a hard copy is available upon request (kristiwallis@sprintmail.com).